

2003 INSTRUCTIONS FOR LD-T  
ACCOUNTING DIVISION

STATE OF ARKANSAS  
DEPARTMENT OF INSURANCE  
FOREIGN Life, Accident and Health Companies

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**IMPORTANT INFORMATION**

It is necessary to include your 5-digit NAIC number in the spaces provided. Do not use the federal identification number in place of your NAIC number.

You are required to file a copy of: **1) the Jurat Page (pg 1) 2) Annual Statement Direct Business Page** reflecting Arkansas premiums (pg 30) and **3) Schedule T (pg 67)** from the annual statement attached to our **newly combined** Form **Aid AC-LD-T and Schedule IC-PT (fka Form AID AC IC-PT).**

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**GENERAL FILING INFORMATION & CHECKLIST**

**Completing the return:**

The return must be typed or legible print on our forms. No Exceptions. **NO AUTHORITY EXISTS FOR GRANTING ANY EXTENSION OF TIME FOR FILING OR PAYMENT.**

**Sending in the return:**

Mail your return and check to:

Arkansas Insurance Department  
Attn: Accounting Division  
1200 West Third Street  
Little Rock, AR 72201-1904

If you overnight your return, use the same address. **Do not put Premium Tax return in annual statement. Mail separately.** Do not include the instructions with your return and remittance.

**Contact Information: Phone: 501-371-2605**

**Website: [www.state.ar.us/insurance/forms](http://www.state.ar.us/insurance/forms)**

**Filing Period:**

For calendar year ending 12/31/03, the Annual tax forms, related premium taxes and filing fees are due on or before **March 1, 2004.**

**Postmark Dates:**

**The Arkansas Insurance Department does not accept the postmark date for filing requirements.** All tax forms must be received in our department on or before 03/01/04. If a carrier other than the U.S. Postal Service is used, the filing must be received by the department on or before 03/01/04. All tax forms are subject to penalty **(\$100 a day)** in accordance with ACA. 26-57-607.

**NOTICE: ACA 23-62-108 HAS BEEN REPEALED. THE DEPARTMENT NO LONGER COLLECTS THE CONSUMER INFORMATION ASSESSMENT FEE.**

**Corporate Franchise Tax:**

**Do not include Franchise Tax payments in your premium tax filings. Please make your Franchise Tax payments payable to the State of Arkansas and remit them at the appropriate time to the Office of the Secretary of State, Attention: Ms. Charlotte Martin, Aegon Bldg, Suite 310, 501 Woodlane, Little Rock, AR 72201. Direct all inquiries to the Secretary of State at (501) 682-3409 or email to [www.sosweb.state.ar.us](http://www.sosweb.state.ar.us).**

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**IMPORTANT:**

The following forms are to be **returned to the address noted on the form** on or before March 1, 2004, do not include with Annual Premium tax filing to the Insurance Department.

- 2003 Mandatory Arkansas Comprehensive Health Insurance Form.
- This form can be downloaded at [www.state.ar.us/insurance](http://www.state.ar.us/insurance).
- Scroll down and click on Arkansas Comprehensive Health Insurance Pool. If you have any questions regarding this form call (501) 370-2659.

ARKANSAS  
PREMIUM TAX RETURN INSTRUCTIONS  
FORM AID AC LD-T AND SCHEDULE IC-PT-COMBINED

PLEASE TAKE A MOMENT TO LOOK OVER OUR FORMS. THEY HAVE CHANGED THIS YEAR. PAGE 1 HAS CHANGED AND WE HAVE ALSO COMBINED THE "FORM AID AC IC-PT" SO YOU WILL HAVE ONE AFFADVIT TO SIGN, NOT TWO THIS YEAR. WE HOPE THESE CHANGES WILL MAKE IT EASIER FOR OUR INSURERS. A NEW CREDIT HAS BEEN ADDED IN SECTION B.

**Instructions for Page 1 of the return.**

**NAIC Codes**

Please enter your 5-digit **NAIC Company Code** in the spaces provided and complete all applicable lines in the company information section. Complete Column 1 – Arkansas Tax and Column 2 – State of Domicile. Provide the **Correct Tax Rate** for the Domiciliary State.

**Section A**    **COMPLETION OF 2003 FORM AID AC LD-T**

Line 1(a) **Life Insurance Direct Written Premiums** – Enter the amount from Annual Statement, Direct Business page 30 for Arkansas, Line 1, Life Insurance: Column 5-Total. **No deduction from this amount may be made on the Arkansas side (Col 1).**

Line 1(b) – Arkansas tax rate is 2.5%. Multiply Line 1(a) by this rate and enter the result on Line 1(b).

Line 2(a) – **Accident & Health** - Enter amount from Annual Statement, Direct Business page 30 for Arkansas, Line 26(Total), Column 1 in the Accident and Health Insurance section of page 30(bottom) less Line 24.1-Federal Employees Health Benefits Program Premium. Line 26 minus Line 24.1; enter result on Line 2(a), Column 1.

Line 2(b) – **Dividends Paid or Credited On Direct Business** – Enter amount from Annual Statement, Direct Business page 30 for Arkansas, Line 26 (Total), Column 3 in Accident and Health Insurance Section (bottom).

Line 2(c) – Subtract Line 2(b) from Line 2(a), Enter result on Line 2(c), Column 1.

Line 2(d) – Multiply Line 2(c) by 2.5% tax rate and enter the result in column 1, Line 2(d).

Line 2(e) – **Additional Taxes, Assessments, and Fees** from State of Domicile. You **must** attach an explanation with computations. Use this line for fees not shown in Sect D.

Line 2(f) – Available **Credits from State of Domicile**, you **must** attach an explanation with computations or **credit will not be allowed.**

**Line 3 – Total Premium Tax Due**, Col. 1 add Lines 1(b) and 2 (d); Col. 2, add 1(b), 2(d),(e),(f ), enters results on line.

**Section B**

Line 4 – is your **Guaranty Fund Assessment Credit** as calculated by the Life and Health Guaranty Association. **Each company receiving a credit will receive a credit letter from the Life and Health Guaranty Association stating the amount to be placed on Line 4. If you feel there is an error in this computation, please do not change this amount. You will need to contact the Life and Guaranty Association directly.** They will make all corrections and notify the Arkansas Insurance Department. **Attach form to verify amount taken and enter here.**

Line 5 – is your **Arkansas Comprehensive Health Insurance Pool (CHIP)** credit Form. You will receive an annual assessment fee payable to the CHIP office if you are a participating insurer in the pool. If you do not receive your CHIP form prior to filing your annual return telling you what your credit is, contact the CHIP office at (501) 370-2659. **Attach form to verify amount taken and enter result here.**

Line 6 – is your **Affordable Neighborhood Housing Credit** (Act 1331-1997) (ACA 15-5-1301 et seq.) - Insurers that perform affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Program must meet standards of and be approved by **Arkansas Development Finance Authority**. **Form must be attached to verify amount taken and enter result here.**

Line 7 – **Low Income Housing Tax Credit** (ACA 26-51-1701 et seq.) - Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which the **Arkansas Development Finance Authority** has issued an eligibility statement. **Form must be attached to verify amount taken and enter result here.**

Line 8 – **County and Regional Industrial Development Corporation Credit** (Act 37 of 1999) (ACA 15-4-1201 and 1224) – Insurers may take a premium tax credit for investments in a county of regional industrial development firm. The credit is equal to 33.33% of the actual purchase price of stock or units of interest and fees paid (with limitations). The maximum credit in one tax year is 50% of the net premium tax liability. Excess may be carried forward for three years. **Attach documentation to verify amount taken and enter result here.**

### **\*NEW\***

**Line 9 – Capitol Development Corporation Tax Credit** §15-4-41026,15-4-1029(f)(1) Person who purchases an equity interest in a capital development company between 2003 through 2013 is entitled to a credit against any state income tax liability or premium tax liability, which may be imposed on the purchaser for any tax year commencing with the tax year, which is two years after the date of the purchase. The credit shall be equal to thirty-three and one-third (33 1/3) of the actual purchase price paid for the equity interest to the company, including any fees or commissions to underwriters or sales agents paid by the company. No fees or commissions in excess of fifteen percent (15%) of the total purchase price may be considered in calculating the amount of the credit. In any one-tax year, the credit shall not exceed fifty percent (50%) of the net state income tax liability or premium tax liability of the taxpayer after all other credits or reductions in tax have been calculated. No credit under this section is allowed for any tax year after December 31, 2019.

Upon dissolution, if the proceeds from the purchase of the equity interest have not been used for the purposes stated in §15-4-1016 or for operation expenses, then each person who previously claimed a tax credit with respect to that purchase, the tax imposed for the year the dissolution occurs shall be increased by the tax credit amount associated with the unused purchase proceeds.

### **Section C**

Line 10 – **Total of all Premium Tax Due** – Add Subtotal #1 minus Line 9 and enter result here. Complete BOTH columns, even if NONE or ZERO. **Figure cannot be less than zero.**

### **Instructions for Page 2 of return**

### **Section D**

Line 11(a) – Enter the **Annual Statement-filing fee** from you state of domicile in Col 2. The Arkansas side is completed. **FOR RETALITORY FEES OTHER THAN SHOWN HERE, LIST IN SECT 2(e).**

Line 11(b) – Enter the **Certificate of Authority/annual renewal fees** from your state of domicile in Col 2. The Arkansas side is completed.

Line 11(c) - Add together Lines 11a through 11b and enter result here in Col 2.

### **Section E**

Line 12 – Add Lines 10 and 11c together and enter the results here Col. 1 And Col. 2.

### **Section F**

Line 13 – **Company Financial Regulation Fee** (Form AID AC CFRF). You must enter an amount here based on the fee due June 30, 2003, that was paid by your company. The minimum amount of the CFRF fee is \$500 and up, based on premiums written in Arkansas. **This amount is necessary to properly calculate retaliatory taxes on the next line.** Enter the amount paid from Form AID AC CFRF here in Col. 1 **and 2 IF** your state has a regulatory fee.

### **Section G**

Line 14 – **Grand Total of Taxes and Fees** – For the calendar year without deductions of prepayment. Enter the results of E12 and F13 here in Col. 1 and 2. **Note instructions at the middle of page, it is very important you carry the correct amount forward to page 2 for completion of Sections H or I.**

## Section H

**YOU WILL COMPLETE SECTION H -OR- SECTION I, NOT BOTH SECTIONS. YOUR NET PAYMENT WILL BE A RESULT OF THE AMOUNT IN ONLY ONE OF THESE SECTIONS BASED ON LINE 14.**

Line 15 (a) – Enter the amount from Line 10-Premium Tax Due, Page 1 and Column 1-Total Premium Tax Due here. **Do not enter results from Line 14.**

Line 15 (b) – **Credits for Arkansas Salaries – Life** You must complete the **SCHEDULE IC-PT, page 3** before taking this credit; otherwise it will be disallowed. Multiply the amount on Line 1(b) by 70%, this amount cannot exceed Line 1(b), Page 1, Col 1 and enter the result here.

**\*\*Note\*\***The sum of 15 (b) & (c) cannot exceed Line 2 of SCHEDULE IC-PT.

Line 15 (c) – **Credits for Arkansas Salaries – A&H** You must complete the **SCHEDULE IC-PT, page 3** before taking this credit; otherwise it will be disallowed. Multiply the amount on Line 2(d) by 80%, this amount cannot exceed Line 2 (d), Page 1, Col 1 and enter the result here.

Line 15 (d) – Add together Lines 15(a) through 15(c), enter result here.

Line 16 – Enter the amount of **Total Fees** from Page 2, Sect D, Col 1, and Line 11(c).

Line 17– Add the amounts listed on Lines 17a through c and enter result here. Fill in appropriate columns with **pre- payment information** for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter payments, if any.

Line 18– Add Lines 15(d) through 18 c) and enter result here. Attach check payable to State Treasurer of Arkansas for the amount shown on Line 19. **All overpayments will be refunded after audit.**

## Section I

**YOU WILL FILL OUT SECTION H -OR- SECTION I, NOT BOTH SECTIONS. YOUR NET PAYMENT WILL BE A RESULT OF THE AMOUNT IN ONLY ONE OF THESE SECTIONS BASED ON LINE 14.**

Line 19(a) - Enter the amount from Line 10, Page 1 and Column 2-Total Premium Tax Due here. **Do not enter results from Line 14.**

Line 19(d) – Enter amount from Line 19(a) above.

Line 20 – Enter the amount of **Total Fees** from Page 2, Sect D, Col 2, and Line 11c.

Line 21 Add the amounts listed on Lines 21(a) through (c) and enter result here. Fill in appropriate columns with **pre- payment information** for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter payment, if any.

Line 22 – Add Lines 19 through 21 and enter result here. Attach check payable to State Treasurer of Arkansas for the amount shown on Line 22. **All overpayments will be refunded after audit.**

## Instructions for Page 3 of return

## Section J

**Life and/or Health Insurers and Health Maintenance Organization Salary Offset §26-57-604**

➡ This was formerly known as **FORM AID AC IC-PT**, it is no longer a separate form but part of LD-T. **This section must be completed in order to take the Salary Credit (Lines 15 b, c), or it will be disallowed.**

Each authorized life or accident & health insurer, including an HMO, may take a credit for noncommissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% tax on life and /or accident and health insurance. The offset may not reduce tax due on health premiums by more than 80%; or due on life premiums by more than 70%. The employee must be a noncommissioned hire and have been employed 6 months for the wages to qualify.

Line 1 – Enter the number of non-commissioned Arkansas employees that were employed for at least 6 months by your company.

Line 2 – Enter the total of wages and salaries paid to these individuals on this line.

Line 3 – You must list the complete address of all offices in Arkansas. If additional space is needed, please attach a listing to return. **If addresses are not provided, credits are not allowed.**

**PENALTY**

Any insurer or health maintenance organization that fails to report or pay the tax when due shall be subject to a penalty of one hundred dollars (\$100) for each day of the delinquency.

**Sending in the return**

**Mail your return and check along with proper attachments to: Arkansas Insurance Department  
Attn: Accounting Division  
1200 West Third Street  
Little Rock, AR 72201-1904**

For other question or comments:

Phone number: 501-371-2605

Fax number: 501-371-2629

Website: [www.state.ar.us/insurance/forms.html](http://www.state.ar.us/insurance/forms.html)



## ARKANSAS INSURANCE DEPARTMENT

2003 FORM AID AC LD-T

1200 WEST THIRD STREET  
LITTLE ROCK, AR 72201-1904  
PHONE: (501) 371-2605  
WWW.STATE.AR.US/INSURANCE

ACCOUNTING DIVISION  
DUE MARCH 1, 2004

\_\_\_ ORIGINAL FILING  
\_\_\_ AMENDED FILING  
\_\_\_ REFUND DUE

**ANNUAL REPORT OF PREMIUMS, TAXES AND FEES OF ALL  
LIFE AND ACCIDENT & HEALTH INSURANCE COMPANIES**

NAIC COMPANY CODE (5 digit code)		STATE OF DOMICILE	
COMPANY NAME			
MAILING ADDRESS			
CONTACT PERSON			
TELEPHONE NUMBER	EXT	FAX NUMBER	
EMAIL ADDRESS			

**\*The Arkansas tax sections impose 2 1/2% tax on the total direct written premium, less applicable deductions under ACA 26-57-601 et. seq. Considerations received on annuity contracts are not subject to premium taxes.**

**Total on Line 1a below must be equal to premium reported on the Annual Statement Schedule T and State Page (pg 30, L 1, Col 5) for Life Insurance.**

	Column 1 Arkansas Tax	Column 2 State of Domicile Tax on Arkansas Insurer Tax Rate _____
Direct written premium of said Company in Arkansas for the calendar year ending December 31, 2003		
<b>A. LIFE, ACCIDENT AND HEALTH PREMIUMS</b>		
1. a. Life Insurance Premiums	\$ _____	\$ _____
b. Tax Thereon at 2.5%	\$ _____	\$ _____
2. a. Accident & Health Insurance Premiums	\$ _____	\$ _____
b. Less Dividends Paid or Credited	\$ _____	\$ _____
c. Net Accident & Health Premiums	\$ _____	\$ _____
d. Tax Thereon at 2.5%	\$ _____	\$ _____
e. Additional Taxes/Fees/Assessments from State of Domicile (Attach Explanation)	\$XXXXXXXXXXXXXX	\$ _____
f. Available Credits from State of Domicile (Attach Explanation)	\$XXXXXXXXXXXXXX	\$ ( _____ )
3. Total Premium Tax Due [1(b), 2(d)]	\$ _____	\$ _____
<b>B. CREDITS, CANNOT BE TAKEN AGAINST FEES</b>		
4. Arkansas Guaranty Fund Assessment Credit	\$ ( _____ )	\$ ( _____ )
5. Arkansas Comprehensive Health Ins. Pool (CHIP) Credit	\$ ( _____ )	\$ ( _____ )
6. Affordable Neighborhood Housing Credit	\$ ( _____ )	\$ ( _____ )
7. Low Income Housing Tax Credit	\$ ( _____ )	\$ ( _____ )
8. County and Regional Industrial Development Corporation Credit	\$ ( _____ )	\$ ( _____ )
<b>SUBTOTAL #1 (A3 MINUS B4 THRU B8)</b>	\$ _____	\$ _____
9. Capital Development Corporation Tax Credit	\$ ( _____ )	\$ ( _____ )
<b>C. PREMIUM TAX LIABILITY DUE</b>		
10. Total of all Premium Taxes Due (Subtotal #1 minus L9) (Figure cannot be less than zero)	\$ _____	\$ _____

## Column 1

## Column 2

**D. FEES**

11. a. Filing Annual Statement	\$ 50.00	\$ _____
b. Certificate of Authority	\$ 100.00	\$ _____
c. <b>TOTAL FEES</b>	\$ <b>150.00</b>	\$ _____

**E. 12. \*Total Taxes and Fees for Calendar Year 2003** \$ \_\_\_\_\_ \$ \_\_\_\_\_

**F. 13. Company Financial Regulation Fee-FORM AID AC CFRF** \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**CANNOT BE ZERO**

**G. 14. GRAND TOTAL OF ALL TAXES AND FEES** \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**FOR CALENDAR YEAR ( E12+F13)**

If the amount entered in Section G, Line 14, Column 1 is more than amount in Section G, Line 14, Column 2, then complete **Section H, Lines 15 - 18 BELOW ONLY. (NOT 19-22)**

**OR**

If the amount entered in Section G, Line 14, Column 2 is more than amount in Section G, Line 14, Column 1, then complete **Section I, Lines 19 - 22 BELOW ONLY. (NOT 15-18)**

**H. NET PAYMENT DUE, BASED ON COLUMN 1**

15. a. Enter amount from Line 10, Sect C, Col. 1, Pg 1	\$ _____
15. b. Credit for Arkansas Salaries not to exceed 70% of Line 1b.	\$ ( _____ )
15. c. Credit for Arkansas Salaries not to exceed 80% of Line 2d.	\$ ( _____ )
15. d. Total Premium Tax Due (Figure cannot be less than zero)	\$ _____
16. Total Amount of Fees from Sect D, 11c, Col. 1, Pg 2	\$ _____
17. Deduct Pre-payments, if any.	

Quarters	Check #	Amount
17.a. First		
17.b. Second		
17.c. Third		

18. Net Payment Calendar Year 2003 \$ ( \_\_\_\_\_ )  
**(CHECK MADE PAYABLE TO THE STATE TREASURER OF ARKANSAS)** \$ \_\_\_\_\_

**I. NET PAYMENT DUE, BASED ON COLUMN 2**

19. a. Enter amount from Line 10, Sect C, Col. 2, Pg 1	\$ _____
19. b. Credit for Arkansas Salaries not to exceed 70% of Line 1b.	\$XXXXXXXXXXXX
19. c. Credit for Arkansas Salaries not to exceed 80% of Line 2d.	\$XXXXXXXXXXXX
19. d. Total Premium Tax Due (Figure cannot be less than zero)	\$ _____
20. Total Amount of Fees from Sect D, 11c, Col. 2, Pg 2	\$ _____
21. Deduct Pre-payments, if any.	

Quarters	Check #	Amount
21.a. First		
21.b. Second		
21.c. Third		

22. Net Payment Calendar Year 2003 \$ ( \_\_\_\_\_ )  
**(CHECK MADE PAYABLE TO THE STATE TREASURER OF ARKANSAS)** \$ \_\_\_\_\_

**SCHEDULE IC-PT****LIFE AND /OR ACCIDENT AND HEALTH INSURERS AND HEALTH MAINTENANCE  
ORGANIZATION SALARY ANNUAL OFFSET**

**Each** authorized life or accident and health insurer, including an HMO, may take an annual credit for non-commissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% direct written tax on life and or accident and health insurance. The offset may not reduce tax due on accident & health premiums by more than 80%; or due on life premiums by more than 70%. The employee must be a non-commissioned hire and have been employed 6 months in Arkansas for the wages to qualify.

The Company reports as follows:

1. Number of non-commissioned Arkansas employees employed for a minimum of six (6) months as of the last day of the calendar year to which this report applies: \_\_\_\_\_
2. Amount of non-commissioned salaries and wages paid to individuals listed in item 1 above:  
\_\_\_\_\_.
3. Complete addresses of Company's Arkansas offices, which are staffed with individuals listed in Item 1.
  - a.
  - b.
  - c.

Attach additional sheets if necessary.



**CHECKLIST**

Copy of Schedule T of Annual Statement attached?..... ☐ YES ☐ NO  
 Copy of AR Direct Business, pg 30 of Annual Statement attached?..... ☐ YES ☐ NO  
 Copy of Jurat page from Annual Statement attached?..... ☐ YES ☐ NO  
 Completed Schedule ICPT for Salary Credit?..... ☐ YES ☐ NO  
 Attached check payable to **State Treasurer of Arkansas**?..... ☐ YES ☐ NO  
 Signed and Notarized return?..... ☐ YES ☐ NO

**AFFIDAVIT**

State of \_\_\_\_\_ County of \_\_\_\_\_

Comes \_\_\_\_\_ and states on oath that he/she is the

\_\_\_\_\_ of \_\_\_\_\_  
 (Title) (Name of Company)

and that the foregoing statements are true and correct as shown by the records of said Company.

Subscribed and sworn to or affirmed before me, the undersigned Notary Public, on this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

My Commission Expires \_\_\_\_\_  
 \_\_\_\_\_  
 NOTARY PUBLIC

FOR Insurance Department Use Only:

Verified by: \_\_\_\_\_ RT Slip # \_\_\_\_\_ Check# \_\_\_\_\_ Amount \_\_\_\_\_